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ACUSHNET COMPANY

v.

METRO GOLF MANUFACTURING SDN BHD

B

HIGH COURT MALAYA, KUALA LUMPUR
RAMLY ALI J
[SUIT NO: D5-22-1485-2005]
11 SEPTEMBER 2006

C ***TRADE MARKS:*** *Registered trade mark - Infringement - Allegation of - Whether proved - Application for summary judgment and injunction restraining defendant from infringing plaintiff's registered trade mark - Whether plaintiff enjoyed statutory protection of having exclusive right to use of 'TITLEIST' - Trade Marks Act 1976, s. 35(1) - Due diligence -*
D *Whether carried out by defendant to avoid infringement - Whether proof required that defendant's infringing activities were continuous - Whether infringement trivial or inadvertent - Whether plaintiff entitled to injunction sought for - Whether a case of infringement was made out under Trade Marks Act 1976 against the defendant - Whether defendant restrained*
E *from using plaintiff's 'TITLEIST' trade mark - Triable issues - Whether raised - Whether plaintiff's application granted - Trade Marks Act 1976, ss. 3(2), 36, 37, 38(1), 40(1)(dd)*

CIVIL PROCEDURE: *Summary judgment - Application for - Rules*
F *of the High Court 1980, O. 14 - Triable issues - Whether raised - Balance of convenience - Whether lay in favour of plaintiff*

The plaintiff herein sought summary judgment pursuant to O. 14 of the Rules of the High Court 1980 (RHC) and prayed for, *inter alia*, an injunction restraining the defendant from infringing the
G plaintiff's registered trade mark or any mark which were confusingly, deceptively or nearly resembling with the said trade mark by using them in the course of trade. The plaintiff was both the common law and registered proprietor in Malaysia of the 'TITLEIST' trade mark in classes 25 and 28 of the International
H Classification of Goods and Services. The plaintiff carried on a business of manufacturing, distributing and selling golf items bearing, *inter alia*, the TITLEIST trade mark and had acquired substantial amount of goodwill and reputation in Malaysia. The defendant was a company incorporated in Malaysia. Its infringing
I activities came to light following a raid carried out on one RGT Technology Sdn Bhd ('RGT') by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs (Enforcement

Division) following a complaint lodged by the plaintiff's solicitors. During the raid, several items bearing the 'TITLEIST' trade mark not manufactured by or under the license of the plaintiff were seized. In addition to the said counterfeit goods, several invoices and delivery orders were also seized in which the defendant was implicated as the supplier of the said counterfeit goods. RGT had also subsequently identified the defendant as the supplier of the said counterfeit goods. The defendant, on the other hand, alleged that a third party company, Zonson Sports (Malaysia) Sdn Bhd ('Zonson') had offered to sell to the defendant raw materials, stock and work in progress including original goods bearing the 'TITLEIST' trade mark. The defendant further submitted that summary judgment under O. 14 RHC 1980 was not an appropriate order under the present circumstances as there were several triable issues raised by the defendant to oppose such application by the plaintiff. The defendant also submitted that the refusal of the injunction (as prayed for by the plaintiff) would not affect the continuity and free flow of the plaintiff's trade or business and argued that the plaintiff's application for summary judgment under O. 14 RHC should be dismissed with costs. The main issue for the court to determine was whether based on the facts available there has been an infringement of the plaintiff's registered trade mark 'TITLEIST' by the defendant who had been using the mark in its trade.

Held (granting plaintiff's application for summary judgment as prayed with costs):

(1) The plaintiff's trade mark was valid and subsisting and at all material times during which the defendant was alleged to have infringed the plaintiff's trade mark and at the time of institution of the present suit against the defendant. Therefore, pursuant to s. 35(1) of the Trade Marks Act 1976, the plaintiff enjoyed statutory protection of having the exclusive right to the use of the 'TITLEIST' trade mark in classes 25 and 28, in particular on golf items. (para 42)

(2) A contract manufacturer or independent contractor was not considered to be a licensee and therefore had no right to sell the goods to a third party or authorize a third party to use the plaintiff's trade marks. If at all Zonson had made any representations that it was entitled to sell unfinished goods bearing 'TITLEIST' trade mark, then such representations were not true and the defendant ought to have insisted upon

proper documentation from Zonson to satisfy itself that Zonson had the right to sell the goods to the defendant. The fact that the defendant did not carry out its due diligence to ensure that Zonson had obtained the plaintiff's authorization to dispose of the goods to the defendant was not the fault of the plaintiff. The failure was on the defendant's part to avoid infringement of the plaintiff's trade mark. (paras 66, 67, 70)

(3) It was not possible for the defendant to have been consented whether directly or indirectly by the plaintiff to manufacture goods bearing the 'TITLEIST' trade mark because none of the goods seized during the raid at RGT Technology conformed to the specifications and model line up to the plaintiff. The plaintiff had provided a verification report on oath to state that the goods seized have been examined and determined to not conform to the specifications and model line up of the plaintiff. The goods therefore have been confirmed to be counterfeits. It was improbable therefore for the plaintiff to have authorized the defendant to have produced goods which did not even exist in its model line up. This defence did not apply to the defendant herein because the plaintiff had clearly stated that no such consent had ever been given to the defendant, nor to Zonson. (paras 72 & 74)

(4) The defendant had, by using 'TITLEIST' mark, not only upon golf items but parts and fittings for the same as well as its invoices and delivery orders that would lead the public to associate the defendant's business as one connected with the manufacture, sale and distribution of golf bags and parts and fitting for the same and thus the defendants have clearly used the infringing mark in relation to the type of goods for which the plaintiff had a registered mark and exclusive use thereof. (para 80)

(5) This court was satisfied that it was sufficient for the plaintiff to have shown to this court that the defendant had infringed the plaintiff's 'TITLEIST' trade mark to be entitled to an injunction. The injunction would not be in vain as the defendant had not provided any evidence to show that all the goods which it allegedly obtained from Zonson have already been either disposed off or seized from its premises. The defendant's refusal to provide an undertaking and strong

resistance to an injunction to restrain the defendant from using the plaintiff's 'TITLEIST' trade mark only meant that the defendant intended to continue to infringe the same. (para 88)

(6) In absence of any evidence on the part of the defendant in showing the alleged representations made by Zonson to the defendant, the defendant's actions were neither trivial nor inadvertent. The defendant had known at all times what it was doing and therefore ought to be permanently restrained from using the plaintiff's 'TITLEIST' trade mark. (para 95)

(7) The plaintiff was not attempting to stop the defendant from carrying on its manufacturing business. It was free to do so but it should be prevented from using the plaintiffs 'TITLEIST' trade mark. The plaintiff was not attempting to injunct the business of the defendant. No hardship or grave inconvenience would be caused to the defendant if relief was granted to the plaintiff. On the other hand, if the plaintiff was denied the relief sought for, the plaintiff's goodwill and reputation would suffer and this in turn would affect the plaintiff's business and good standing and would lead to hardship to the plaintiff as it would be placed in a very embarrassing position in not being able to stop infringement of its registered trade marks and as a result, the plaintiff's legitimate distributor, Acushnet Malaysia and the latter's network of retailer rights to deal in legitimate Acushnet products would not be protected. (paras 99 & 100)

(8) The plaintiff had made out a case of infringement under the Trade Marks Act 1976 against the defendant. The defendant, if not injuncted, was free to continue to infringe the plaintiff's 'TITLEIST' trade mark. The defendant had not raised any issue which merit any consideration for this court to grant leave to defend the action based on the trade mark infringement. There was clearly no triable issue. Nor had it proven to be able to rely on any of the statutory defences under the Trade Marks Act 1976. The balance of convenience lay in favour of the plaintiff. (paras 98 & 101)

Case(s) referred to:

A Clouet & Co Pte Ltd & Anor v. Maya Toba Sdn Bhd [1996] 1 BLJ 239 HC ***(refd)***

Bank Negara Malaysia v. Mohd Ismail & Ors [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 SC ***(refd)***

Bostitch Trade Mark [1963] RPC 183 ***(refd)***

Cheetah Trade Mark [1993] FSR 263 ***(refd)***

Chen Heng Peng & Ors v. Intradagang Merchant Bankers (M) Bhd [1995] 3 CLJ 690 CA ***(refd)***

El Greco Leather Products 1 USPQ 2d 1016 (2d Cir 1986) ***(refd)***

Fabrique Ebel Societe Anonyne v. Syarikat Perniagaan Tukang Jam City Port & Ors [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 HC ***(refd)***

Gillete UK Limited & Anor v. Edenwest Limited [1994] RPC 279 ***(refd)***

Parker-Knoll Limited v. Knoll International [1962] RFC 265 ***(refd)***

Renofac Builder (M) Sdn. Bhd. v. Chase Perdana Bhd [2001] 5 CLJ 371 HC ***(refd)***

Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd [2005] 1 CLJ 200 HC ***(refd)***

Rutter & Co v. Smith [1901] 18 RPC 49 ***(refd)***

Steiner Products Ltd v. Stevens [1957] RPC ***(refd)***

Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***

Upmann v. Forester [1883] 24 Ch 231 ***(refd)***

Legislation referred to:

Rules of the High Court 1980, O. 14 rr. 1(1), 2, 3(1)

Trade Marks Act 1976, ss. 3(1), (2), 35(1), 36, 37, 38(1)(a), 40(1)(dd), 48

Other source(s) referred to:

Kerly's Law of Trade Marks and Trade Names, 12th edn, para 15-58, pp 317, 318

Kerly's Law of Trade Marks and Trade Names, 13th edn, para 18-153

Neil J Wilfok & Daniel Burkitt, *Trade Mark Licensing*, paras 8-03 p. 167, paras 8-13, p 173

For the plaintiff - Jasdev Singh Gill; M/s Thomson Assoc
For the defendants - Edwin Rajasoonia; M/s KS Ong & Co

Reported by Suhainah Wahiduddin

JUDGMENT

Ramly Ali J:

[1] The plaintiff is seeking summary judgment pursuant to O. 14 of the Rules of the High Court 1980 (RHC). The plaintiffs overall claim against the defendant is for trade mark infringement.

[2] The prayers set out in the plaintiff's writ as well as in the plaintiff's summons in chambers dated 14 February 2000 (encl. 5) are as follows:

(a) An injunction restraining the defendant, whether acting on it's own, through it's companies and/or businesses under its control or it's directors, officers, servants or agents or any of them or in any manner from doing or attempt to whether directly or indirectly from infringing the plaintiff's registered trade mark particulars of which are provided below and/or any mark which are confusingly, deceptively or nearly resembling with the said trade mark by using them in the course of trade:

No.	Mark	Class	Registration No.	Goods
1.	TITLEIST	25	88/06613	Clothing, boots, shoes and slippers included in class 25.
2.	TITLEIST	28	88/06614	Golf Clubs, golf balls, golf bags, apparatus for playing golf, parts and fittings for all the aforesaid goods; all included in class 28

(hereinafter referred to as "the "TITLEIST" trade mark").

(b) An order to deliver up the following to the plaintiff's solicitors within seven days from the date of judgment and to forthwith file and serve an affidavit confirming the same:

(i) All goods which infringe the "TITLEIST" trade mark rights and/or all items, dices, tools, mould and plates, containers, packaging materials, inserts, sign boards, advertising and promotional materials, wrappers or other printed materials in the possession, custody and/or control of the defendant the continued retention of, use of or dealing with which by the defendant would be breach of the injunction prayed for, and

(ii) all documents and records including but not limited to all invoices, books, contracts, delivery orders, orders, bills, correspondence, customs declaration forms and other articles and materials in connection with or relevant to the manufacture storage, supply, distribution, import, export, sale, offer for sale or disposal of the infringing goods bearing the said "TITLEIST" trade mark, which are in the possession, custody or control of the defendant, its directors, officers, servants or agents or any of them.

(c) An order that the defendant discloses the following within seven days from the date of judgment and to file and serve an affidavit confirming the same:

(i) the name and addresses of all parties who have supplied the defendant or offered to supply the defendant with the infringing goods containing the said "TITLEIST trade mark;

(iii) the name and addresses of all parties to whom the defendant has supplied or offered to supply, the infringing goods bearing the said "TITLEIST" trade mark; and

(iii) full details of the dates and quantities of every such supply and offer.

(d) An inquiry into damages for infringing the rights of the said "TITLEIST" trade mark or at the option of the plaintiff an account of the defendant's profits;

(e) An order for payment of all sums found due together with interest thereon at 8% per annum from the date of judgment until full settlement thereof;

(f) Costs; and

(g) Any further or other relief as this court thinks just.

[3] The plaintiff's writ and statement of claim was filed on 11 October 2005 and served on the defendant's solicitors on 6 February 2006. The defendant filed its memorandum of appearance and served the same on the plaintiff on 9 February 2006. The plaintiff filed the O. 14 application (encl. 5) on 14 February 2006 and served the sealed copy on the defendant on 8 March 2006.

Brief Facts

About The Plaintiff

[4] The plaintiff, a corporation organised and existing under the laws of the State of Delaware, United States of America with its principal place of business at 333 Bridge Street, Fairhaven, Massachusetts, 02719 United States of America, is both the common law and registered proprietor in Malaysia of the "TITLEIST" trade mark in classes 25 and 28 of the International Classification of Goods and Services. The plaintiff's registration is and has at all material times been valid and subsisting. The plaintiff's class 28 registration is further renewed in December 2005 until 5 December 2015.

[5] The plaintiff carries on the business of manufacturing, distributing, selling and/or otherwise dealing in golf clubs, golf balls, golf bags and golf accessories bearing, *inter alia*, the "TITLEIST" trade mark. The plaintiff's goods are distributed in Malaysia by Acushnet Malaysia Sdn. Bhd. of Suite W 415 Wisma Consplant 1, No. 2, Jalan SS 16/4, 47500 Subang Jaya, Selangor, Malaysia which is part of the Acushnet Group of Companies. The plaintiff has been enjoying substantial sales of the plaintiff's goods bearing the plaintiff's trade mark for several years in Malaysia.

[6] The plaintiff has been actively promoting its products by using the plaintiff's trade mark in newspapers, magazines and other printed periodicals widely in Malaysia. As such the plaintiffs trade mark has acquired substantial amount of goodwill and reputation in Malaysia.

About The Defendant

[7] The defendant is a company incorporated in Malaysia and is carrying its manufacturing business at No: 19-35, Jalan Muar, Off 2 1/2 Mile, Jalan Kapar, 41400 Klang. The defendant's infringing activities had come to light following a raid carried out on one RGT Technology Sdn. Bhd. ("RGT") by the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs (Enforcement Division) on 21 December 2004 following a complaint lodged by the plaintiff's solicitors. During the raid, 3 golf bags and 94 Boston bags bearing the "TITLEIST" trade mark not manufactured by or under the license of the plaintiff were seized. In addition to the said counterfeit goods, several invoices and delivery orders were also seized in which the defendant was

implicated as the supplier of the said counterfeit goods. RGT had subsequently also identified the defendant as the supplier of the said counterfeit goods.

[8] Following the discovery of the documents incriminating the defendant, the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs had in the exercise of their powers proceeded to conduct a raid at the defendant's premises located at No: 19-35, Jalan Muar, Off 2 1/2 Mile, Jalan Kapar, 41400 Klang, Selangor Darul Ehsan on the same day, 21 December 2004 and seized several items bearing the "TITLEIST" trade mark none of which were manufactured by or under the license of the plaintiff.

[9] The defendant is alleged to have been using the plaintiff's "TITLEIST" trade mark in the course of trade in relation to goods and in particular golf bags, Boston bags and parts and fittings related to the same not manufactured by the plaintiff or under the plaintiff's licence.

[10] The "TITLEIST" trade mark is alleged to have been used by the defendant on the followings:

(a) 8,000 zipper heads;

(b) 23 golf bag bases;

(c) 150 metal plates;

(d) 25 rubber labels;

(e) Golf bags; and

(f) Boston bags.

The Plaintiff's Complaint

[11] The plaintiff's complaint against the defendant is for infringement of the "TITLEIST" trade mark. The particulars are set out at para. 10 of the statement of claim and supported by evidence set out at paras. 15 to 22 of the plaintiff's supporting affidavit (encl. 4). The act of infringement is the unauthorized use of the identical mark "TITLEIST" which infringes the plaintiff's registered "TITLEIST" trade mark. The defendant does not dispute the use of "TITLEIST" though it claims that such use was indirectly known to the plaintiff and thus was impliedly consented to which is denied by the plaintiff.

The Defendant's Defence

[12] The defendant, on the other hand, alleges that on or about early 2003 a representative of a third party company, Zonson Sports (Malaysia) Sdn. Bhd. ("Zonson") offered to sell to the defendant raw materials, stock and work in progress including original goods bearing the "TITLEIST" trade mark for RM130,000 which was subsequently reduced to RM110,000.

[13] Whilst negotiating the sale of the said goods to the defendant, the defendant alleges Zonson represented to the defendant that:

(a) Zonson was the manufacturer of various sports goods including various types of golf bags and was *inter alia* appointed by the plaintiff as his servants and/or agents to manufacture and deal with the plaintiff's good in Malaysia;

(b) Zonson intended to cease operating its factory and wished to sell its factory together with all of its raw materials, stock and work in progress including original goods bearing the "TITLEIST" trade mark;

(c) Zonson forwarded to the defendant a list of its customers;

(d) Zonson assured the defendant that the goods offered to the defendant were original including the goods bearing the "TITLEIST" trade mark wherein at the material time Zonson had been appointed by the plaintiff to manufacture and continue to manufacture the said goods; and

(e) Zonson sold the goods to the defendant on an "as is where is" basis.

[14] On 21 December 2004 the plaintiff together with officers from the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs attended the defendant's premises and conducted a search and seized some goods and documents from the defendant.

[15] The goods seized from the defendant's premises were as follows:

6.1. 8,000 zipper heads;

6.2. 23 bases;

6.3. 150 metal plates;

A 6.4. 25 rubber labels; and

6.5. some invoices and delivery orders.

[16] All of the seized goods are currently in the custody of the Enforcement Division of the said Ministry.

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[17] To-date no charges have been brought by the Enforcement Division against the defendant for any alleged infringement of the plaintiff's trade mark under the relevant statutes.

C **[18]** Earlier the same day, the Enforcement Division had raided the premises of a 3rd party, RGT Technology Sdn Bhd and seized various items from the said premises.

[19] The defendant submits that summary judgment under O. 14 RHC 1980 is not an appropriate order under the present D circumstances as there are several triable issues raised by the defendant to oppose such application by the plaintiff. The triable issues are as follows:

(a) no counterfeit goods were found at the defendant's premises;

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(b) no dices or moulds were found at the defendant's premises;

(c) the authenticity of the raw materials found at the defendant's premises remains unresolved;

F (d) the defendant purchased the raw materials from Zonson, the plaintiff's agent or servant;

(e) the plaintiff has not proved that the items seized from RGT Technology Sdn Bhd's premises were the same goods G allegedly purchased from the defendant;

(f) no proof to show any threat of the defendant being able to continue to infringe the plaintiff's trade mark;

(g) no proof to show refusal of injunction would effect the H continuity of the plaintiff's business; and

(h) damages (if any) would be an adequate remedy.

[20] With regard to the issue: ie, no counterfeit goods were found at the defendant's premises, the defendant submits as I follows:

(a) Plaintiff's verification that goods were counterfeits *vide* exh. CSN8 essentially relates to goods seized from the raid at RGT Technology Sdn. Bhd. and not from the defendant's premises.

(b) further, most of the photographs of the alleged counterfeit goods (the golf bags) are goods which were seized from RGT Technology Sdn. Bhd. premises and not the defendant's premises.

(c) the goods sized at the defendant's premises are raw materials and the plaintiff has not shown that the raw materials seized at the defendant's premises were counterfeit and/or had infringed the plaintiff's trade mark.

(d) as such, no counterfeit goods were seized from the defendant's premises.

(e) the plaintiff's case against the defendant is based essentially on the allegations of a 3rd party RGT Technology Sdn. Bhd. who was found with alleged counterfeit goods at their premises. RGT Technology Sdn. Bhd. is the plaintiff's own authorized dealer, who when confronted by the Enforcement Division, alleged that some of the goods were obtained from the defendant.

(f) thus far, there is no proof to show that the goods seized from RGT Technology Sdn. Bhd.'s premises were the same goods obtained from the defendant.

(g) as such, the defendant submits that the evidence put forth in the affidavits filed by the plaintiff, are at best only speculative. The plaintiff has failed to prove that the defendant infringed or carried out any infringing activities.

[21] On the issue of "the defendant procured raw materials from Zonson, an agent or servant of the plaintiff", the defendant submits as follows:

(a) the defendant obtained the goods from Zonson, the plaintiff's agent or servant. Initially, the plaintiff claimed that Zonson was an approved vendor and the plaintiff's independent contractor.

(b) subsequently, the plaintiff changed its stand and alleges that Zonson was not even an approved vendor and/or independent contractor. This is clearly "an afterthought" and the plaintiff is changing its earlier stand.

(c) the defendant submits that the representations by Zonson to the defendant regarding the raw materials procured from Zonson and the issue whether Zonson was the plaintiff's agent or servant or an approved vendor or independent contractor are triable issues.

[22] On the issue of "no proof or allegation that the infringing activities (if any), by the defendant are continuous", the defendant submits as follows:

(a) all of the goods purchased from Zonson were seized by the Enforcement Division. There is no evidence or proof that the defendant had or has in its possession any dices, moulds and/or plates to be able to allegedly continue to infringe the plaintiff's trade mark.

(b) there was also no evidence that any wrapping materials, signage, advertisements, promotional items or other printed materials were found in the defendant's premises.

(c) as such, the plaintiff has not led any evidence to show that the infringement activities by the defendant (if any) are continuous or are still possible.

(d) having said that, the defendant submits in the alternative that the infringement (if any) by the defendant was trivial or inadvertent and there is no threat of continuing infringement by the defendant. This trivial infringement was due to the representations made by Zonson, the plaintiff's own agent or servant.

[23] The defendant refers to "*Trade Mark Law and Practice in Malaysia*", Butterworths, 2001 by Teo Bong Kwang which states:

> To obtain an injunction, it is incumbent upon the Plaintiff to show that the infringing activities are continuous, thus, it may not be possible to obtain an injunction in cases where the infringing act is an isolated act. In cases where the infringement is trivial or inadvertent or there is no threat of continuing infringement, injunction will normally be refused ... .

[24] As one of the issues raised, the defendant also submits that the refusal of the injunction (as prayed by the plaintiff) would not affect the continuity and free flow of the plaintiff's trade or business.

[25] The defendant further submits that the injunction and the other ancillary orders prayed by the plaintiff should not be granted as in the event the plaintiff is able to prove the alleged infringement then, damages (if any) would be adequate compensation to the plaintiff.

[26] It was finally argued for the defendant, that the plaintiff's application for summary judgment under O. 14 RHC 1980 should be dismissed with costs.

Decisions Of The Court

[27] The reliefs sought for by the plaintiff in it's statement of claim and summons in chambers in brief are as follows:

(i) Permanent injunction;

(ii) Delivery up;

(iii) Disclosure on oath;

(iv) Inquiry as to damages or at the option of the plaintiff an account of the defendants profits;

(v) Costs; and

(vi) Other reliefs that this courts thinks just.

[28] The basis of the reliefs sought for above are based on the inherent jurisdiction of the court under common law. This jurisdiction finds support in *Kerly's Law of Trade Marks and Trade Names* (12th edn) at para 15-58; p. 317 which states as follows:

> If the Plaintiff succeeds in an action for infringement, he may obtain an order for:
>
> (i) an injunction restraining further infringement of his rights;
>
> (ii) the delivery up for the destruction, or for the erasure of the marks, of any good already marked with the spurious mark and in the possession or under the control of the Defendant, as well as of deceptive labels, advertising material, etc.; and
>
> (iii) an inquiry as to damages in respect of the past infringement, or *in lieu*, an account of the profits made by the Defendant by the sale of the spuriously marked goods, or for some one or more of these.

[29] The granting of such remedies is no exception by the Malaysia Courts. In this regard, the court relies on the case of *Fabrique Ebel Societe Anonyne v. Syarikat Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537, where Justice Zakaria Yatim granted similar remedies. Justice Zakaria Yatim ordered:

> In the circumstances, I allow the Plaintiff's application for final judgment under Order 14 ... for:
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> (1) an injunction to restrain the Defendants ... from infringing the Plaintiff's registered trade mark ...;
>
> (2) for delivery up or destruction upon oath of all goods ... offend against the foregoing injunction;
>
> (3) enquiry be made as to what damages ... sustained by the Plaintiff; and
>
> (4) the Defendants will pay the Plaintiff's costs ...

[30] The above authorities clearly show that in cases involving trade mark infringement, the court has jurisdiction to enter summary judgment, provided all the necessary ingredients required under O. 14 RHC 1980 are fulfilled, (see also: *Rock Records (M) Sdn. Bhd. v. Audio One Entertainment Sdn. Bhd.* [2005] 1 CLJ 200).

[31] Order 14 r. 1(1) and 3(1) RHC 980 provides:

> 1(1) Where in an action to which this rule applies a statement of claim has been served on a Defendant and that Defendant has entered an appearance in the action, the Plaintiff may, on the ground that Defendant has no defence to a claim included in the writ, or to a particular part of such a claim, or has no defence to such a claim or part except as to the amount of any damages claimed, apply to the Court for judgment against that Defendant.
>
> 3(1) Unless on the hearing of an application under Rule 1 either the Court dismisses the application or the Defendant satisfies the Court with respect to the claim, or part of a claim, to which the application relates that there is an issue or question in dispute which ought for some other reason to be trial of that claim or part, the Court may give such judgment for the Plaintiff against that Defendant on that claim or part as may be just having regard to the nature of the remedy or relief claimed.

[32] The conditions precedent for the employing of the summary process have been met namely:

(a) the statement of claim has been duly served on the defendant;

(b) the defendants has entered their appearance; and

(c) the affidavit in support of the application has complied with the requirements of O. 14 r. 2 RHC.

[33] In the Supreme Court case of *Bank Negara Malaysia v. Mohd Ismail & Ors* [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14, Mohamed Azmi SCJ held:

> Under an Order 14 application, the duty of a judge does not end as soon as a fact is asserted by one party, and denied or disputed by the other in an affidavit. Where such assertion, denial or dispute is equivocal or lacking in precision or is inconsistent with undisputed contemporary documents or other statements by the same deponent or is inherently improbable in itself, the Judge has a duty to reject such assertion or denial, thereby rendering the issue not triable. In our opinion, unless this principle is adhered to, a Judge is in no position to exercise his discretion judicially in an Order 14 application. Thus apart from identifying the issues of fact or law, the Court must go one step further and determine whether they are triable.

[34] In order to succeed in it's application under O. 14 RHC 1980, the plaintiff in the present case must establish its cause of action against the defendant for trade mark infringement and that the defendant has not raised any defence to the plaintiff's claim or any triable issue for that matter. Once the plaintiff succeeds in making out a *prima facie* case against the defendant, the onus then shifts to the defendant to show to this court as to why judgment should not be entered against it.

[35] What constitute a 'triable issue' in an application for summary judgment?

[36] Triable issue means issue raised by the defendant which is fit to be tried. The defendant must provide answers on oath which constitute evidence that they have defence which is fit to be tried. Denial in a defence does not constitute evidence, (see: *Chen Heng Peng & Ors v. Intradagang Merchant Bankers (M) Bhd.* [1995] 3 CLJ 690).

[37] A mere bare assertion by the defendant would not be sufficient. The duty of the court is quite onerous in the extreme. The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendant has a real or what is commonly known as a *bona fide* defence, (see: *Renofac Builder (M) Sdn. Bhd. v. Chase Perdana Bhd* [2001] 5 CLJ 371).

Plaintiff's Cause Of Action

Statutory Protection Of Registered Trade Mark Proprietors

[38] Section 35(1) of the Trade Marks Act 1976 provides:

> Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

[39] Under s. 36 of the same Act, the fact that a person is registered as proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

[40] Section 37 provides that the registration of a trade mark which has been registered for more than seven years is *prima facie* evidence of it's validity.

[41] In the present case, the plaintiff's "TITLEIST" trade mark has been duly registered in Classes 25 & 28 since 5 December 1988 *vide* registration nos: 88/06613 and 88/06614 respectively. The Registrar of Trade Marks had on 21 December 2005 issued the Renewal Certificate certifying that the registration of trade mark no: 88/06614 (Class 28) has been renewed for 10 years until 5 December 2015. The registration of trade mark no: 88/06613 (Class 25) has also been renewed for 14 years from 5 December 1995.

[42] It is clear from the above documents that the plaintiff's trade mark was valid and subsisting at all material times during which the defendant is alleged to have infringed the plaintiff's trade mark and at the time of institution of the present suit against the defendant. Therefore, pursuant to s. 35(1) of the Trade Marks

Act 1976, the plaintiff enjoys statutory protection of having the exclusive right to the use of the "TITLEIST" trade mark in Classes 25 and 28, in particular on golf clubs, golf balls, golf bags, apparatus for playing golf and parts and fittings for the aforesaid goods.

Infringement The Plaintiff's Trade Mark By The Defendant

[43] Section 38(1) of the Trade Marks Act 1965 provides:

> A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:
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> (a) as being use as a trade mark;
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> (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trademark or to goods with which the person is connected in the course of trade; or
>
> (c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[44] In *Fabrique Ebel Societe Anonyme v. Syarikat Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 ("*The Ebel* Case") which was followed by the case of *A Clouet & Co. Pte. Ltd. & Anor v. Maya Toba Sdn. Bhd.* [1996] 1 BLJ 239, Zakaria Yatim J laid out the requirements to be proven before infringement may be made out under the Trade Marks Act 1976. In the *Ebel* case where the plaintiff had succeeded in its application for summary judgment the court held that in order to establish infringement of a trade mark under s. 38(1)(a) of the Trade Marks Act 1976 the plaintiff has to satisfy the following five requirements:

(a) the defendant used the mark identical with the plaintiffs mark;

(b) the offending mark was used by persons who have not been authorised or licensed by the plaintiff;

(c) the defendant was using the offending mark in the course of trade;

(d) the defendant used the offending mark in relation to goods in respect of which the trade mark is registered; and

(e) the defendant used the offending mark in such a manner as to render the use of the mark likely to be taken has being used as a trade mark.

[45] In the Supreme Court case of *Tohtonku Sdn. Bhd. v. Superace (M) Sdn. Bhd.* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 it was ruled that a registered trade mark is infringed by a person who uses a mark which:

(a) is identical with it; or

(b) so nearly resembling it as it is likely to deceive; or

(c) so nearly resembling it as likely to cause confusion.

[46] The difference between "to deceive" and "to cause confusion" has been clearly laid down by Lord Denning in *Parker-Knoll Limited v. Knoll International* [1962] RFC 265 at p. 273, as follows:

> Secondly "to deceive" is one thing. To "cause confusion" is another. The difference is this: When you deceive a man, you tell him a lie. You make a false representation to him and thereby cause him to believe a thing to be true which is false. You may not do it knowingly, or intentionally, but still you do it, and so you deceive him. But you may cause confusion without telling him a lie at all, and without making any false representation to him. You may indeed tell him the truth, the whole truth and nothing but the truth, but still you may cause confusion in his mind, not by any fault of yours, but because he has not the knowledge or ability to distinguish it from the other pieces of truth known to him or because he may not even take the trouble to do so.

[47] It s not necessary that it should be intended to deceive or to cause confusion. We do not have to look into the mind of the user to see what he intended. It is it's probable effect on ordinary people which we need to consider. The user may have no such

intention, and was completely honest. But, he may still be guilty of infringement if his usage of the trade mark is likely to deceive or to cause confusion on the ordinary people, (see: *Parker-Knoll Limited v. Knoll International Limited (supra))*.

[48] On the above authorities, the court shall now turn to examine the evidence in the present case.

[49] There is no doubt that the defendant had used a mark which is identical to the plaintiff's registered trade mark. The plaintiff has adduced evidence (in the form of photographs) of the infringing items that were seized during the raid on the defendant's premises on 21 December 2004. The photographs clearly show that the mark used on the infringing items "TITLEIST" is identical to that of the plaintiff's registered "TITLEIST" trade mark. There is also evidence to show that the defendant through its solicitors had also admitted *vide* their letter dated 21 May 2005 of using the "TITLEIST" mark although they were not authorised to do so.

[50] The law grants the plaintiff (being the registered proprietor) the exclusive right to use the mark and there is no exception in this. The plaintiff enjoys a monopoly to the use of the mark "TITLEIST" since it was registered in accordance with the Trade Marks Act 1976.

[51] The plaintiff confirms that neither the plaintiff nor any party associated with the plaintiff in or outside Malaysia has at any time licensed or a authorised the defendant to use the "TITLEIST" trade mark in the course of trade.

[52] The defendant however asserts that it was authorised to use the mark (which is denied by the plaintiff) by virtue of the fact that the raw materials containing the "TITLEIST" marks were allegedly obtained or purchased from one Zonson Sports Malaysia Sdn. Bhd. ("Zonson") which entity the defendant claims is an authorised manufacturer of the plaintiff's original products bearing the "TITLEIST" trade mark.

[53] The defendant claims that Zonson had made representations to the defendant that it was an authorised manufacturer of goods bearing the plaintiffs "TITLEIST" trade mark and hence sold the raw materials and works in progress to the defendant which the defendant completed and sold off to 3rd parties on the belief that it was fully authorised to do so by the proprietor of the "TITLEIST" trade mark ie, the plaintiff.

[54] The argument forwarded above is the main contention which the defendant has relied on in all its affidavits and therefore the defendant concludes that there are triable issues which merit a full trial to determine the plaintiff's claims.

[55] The plaintiff claims that it has no specific knowledge of Zonson's claim that it manufactured goods bearing the "TITLEIST" trade mark for one or more entities licensed by the plaintiff to use its mark. The plaintiff has checked its records and states that Zonson was not provided with any authority to manufacture goods bearing the "TITLEIST" trade mark on ongoing basis. The plaintiff further submits that even if (assuming) Zonson was authorised to manufacture goods bearing the "TITLEIST" trade mark for entities licensed the plaintiff, it has no right to sell any goods whether in complete or unfinished form bearing such trade mark to any party. The plaintiff also denied that Zonson was at agent and/or servant of the plaintiff, as alleged by the defendant.

[56] The defendant in putting forward its contention relies on the following documents:

(a) a debtors list allegedly provided by Zonson;

(b) a letter dated 26 March 2003 from the defendant to Zonson making a proposal for the purchase of a raw materials;

(c) a letter from Zonson to the defendant dated 10 April 2003;

(d) stock list as at 7 November 2002;

(e) statement of movement of raw materials/components/completed products.

[57] It is to be noted that other than the documents above, there are no further documents provided by the defendant to support its contentions. It is noted that none of the documents above are of any relevance nor do they support any of the statutory defences provided by the Trade Marks Act 1976.

[58] The defendant has stated several times that Zonson was an agent or servant of the plaintiff. The plaintiff has in all it's affidavits very clearly states with certainty that Zonson was never at any time an agent or servant of the plaintiff. If at all representations were made by Zonson to the defendant, it was the duty of the defendant to carry out a due diligence on the representations

made particularly on the status of Zonson *vis-a-vis* the plaintiff. The defendant has failed to provide any evidence that it took reasonable steps to carry out such due diligence.

[59] The defendant other than making reference to certain entities has failed to lead any evidence to state Zonson had supplied goods bearing the "TITLEIST" trade mark or that it was contracted to manufacture goods bearing the "TITLEIST" trade mark. The defendant did not even attempt to obtain any affidavits from Zonson to substantiate its bare contentions. The defendant has failed to produce any documents to prove the alleged representations made by Zonson to the defendant.

[60] The defendant has also claimed that Zonson was an approved vendor and the plaintiff's independent contractor in dealing with products bearing the "TITLEIST" trade mark. The plaintiff on the other hand stressed that even if Zonson was an approved vendor or independent contractor to the plaintiff, it has no bearing whatsoever to the case herein as it does not advance the defendant's defence.

[61] What is an "independent contractor" or "contract manufacturer"; and what rights does an "independent contractor" or "contract manufacturer" posses?

[62] In the book "*Trade Mark Licensing*" by Neil J Wilfok and Daniel Burkitt at p. 167 para 8-03 the learned author states as follows:

> The development of modern mass retailing has witnessed the rise of the house mark on goods manufactured by 3rd parties. Indeed, the trade mark proprietor may not be involved in the manufacture of the goods at all: all of its goods may be manufactured of it by third party manufacturers.
>
> The contract manufacturer may well be located in a foreign country. Indeed the international dimension of contract manufacturing has become the norm for certain industries. As a result contract manufacturing has become a frequently encountered relationship in which one party manufacturer goods for another.
>
> The contract manufacturer does not act as a licensee of the mark. It is not engaged in the trading of the goods in such a way that a connection is created by the mark between the contract manufacturer and the goods. The contract manufacturer's relationship with the goods as limited to their manufacture. Thus,

under the 1938 Trade Marks Act (upon which the Malaysian Trade Marks Act 1976 is modeled after), no connection in the course of trade warranting the registration of the contract manufacturer as a registered user was created.

[63] In the case of *Bostitch Trade Mark* [1963] RPC 183 at 197 the court held that:

> There is nothing in the Trade Mark Act, or in the principles of trade mark law which have been developed thereunder which requires a proprietor of a registered trade mark to refrain from introducing modifications or variations in the goods to which he applies his mark or in the manner in which they reach the market. If he should find it convenient to transfer manufacture from one locality to another, or procure his supplies from sub-contractors or arrange for assembly of completed articles by someone of his choice *in lieu* of doing it himself, these and a vast number of other possible changes in procedure are his sole concern. His mark only becomes vulnerable in this connection if he permits its use in a manner which is calculated to deceive or cause confusion.

[64] It is clear from the *Bostitch* case that a proprietor of a trade mark has the sole prerogative to allow his goods to be manufactured by a 3rd party. However it does not mean that the manufacturer acquires or inherits any rights to the use of the mark or is he considered to be a licensee of the proprietor. Any use of the mark in any manner outside the ambit of the manufacturing license would be considered to be an infringement.

[65] In the present case, the sale of goods bearing the "TITLEIST" trade mark was made by the defendant without any authorisation whatsoever, be it direct or indirect, from the plaintiff. The defendant alleges that it acquired the goods legitimately from one Zonson who is at best, a contract manufacturer. In other words, if that were so, Zonson would have been allowed to manufacture authorised "TITLEIST" products by an authorised party related to the plaintiff for specific products according to specifications. It is at the most a limited licence for a specific purpose. The authorisation would have been to Zonson and none other. Obviously, a party like Zonson cannot transfer, let alone delegate such limited powers to a 3rd party like the defendant.

[66] As can be observed from the authorities above, a contract manufacturer or independent contractor is not considered to be a licensee and therefore has no right to sell the goods to a 3rd party or authorize a 3rd party to use the plaintiff's trade marks. If at all Zonson had made any representations that it was entitled

to sell unfinished goods bearing "TITLEIST" trade mark, then such representations were not true and the defendant ought to have insisted upon proper documentation from Zonson to satisfy itself that Zonson had the right to sell the goods to the defendant. The failure on the party to carry out its own due diligence is a risk they appear to have taken.

[67] The plaintiff has adduced evidence to state that there was no continuing contractual relationship between Zonson and the plaintiff. As such Zonson did not have the authority to sell the goods to the defendant.

[68] In the book "*Trade Mark Licensing*" by Neil J Wilfok and Daniel Burkitt at p. 173 para. 8-13 the learned author discusses a situation whereby goods are sold by a contract manufacturer without authorisation. The decision of the court in the leading case on this point, *El Greco Leather Products* 1 USPQ 2d 1016 (2d Cir 1986) states as follows:

> The majority of the US Court of Appeal, overruling the lower Court, found that the failure to obtain approval upon inspection meant that the shoes were not genuine. ... Accordingly, the subsequent sale of the shoes constituted trade mark infringement.
>
> The Court of Appeal emphasis that the burden was on the contract manufacturer to ensure that the sake of the rejected lots did not infringe the proprietor's rights in the trade mark. In so ruling, the Court of Appeal rejected the position of the Trial Court that the proprietor of the trade mark had a duty to expressly provide for how such rejected goods are to be disposed by the contract manufacturer. In particular, the contract manufacturer, in order to avoid an infringement action, should have taken the following steps:
>
> (i) Removed the trade mark from the goods (as was customary in the industry);
>
> (ii) Afforded the proprietor an opportunity to inspect the goods and certify their quality, or sought instructions from the proprietor on how to dispose of the goods.

[69] In applying the principles of the above decision to the present case, Zonson in disposing off raw materials and works in progress without the plaintiff's authorisation was itself infringing the plaintiff's trade marks. As such the defendant in purchasing the said goods and in turn selling them to 3rd parties for a profit is

also infringing the plaintiff's marks. It is not open to the defendant to say that they are innocent, as there is no such defence in trade mark law.

[70] The defendant has also raised the point that the plaintiff ought to have ensured that Zonson disposed off all goods bearing "TITLEIST" trade mark and that it was the duty of the plaintiff to have done so. The case above *(El Grece Leather Products)* has clearly stated that it was Zonson's duty "as is customary in the trade", to have removed the "TITLEIST" trade mark from the goods and sought the plaintiff's instructions on how to dispose of the goods. This Zonson did not do. The fact that the defendant did not carry out its due diligence to ensure that Zonson had obtained the plaintiff's authorisation to dispose of the goods to the defendant is not the fault of the plaintiff. It is a futile attempt to shift the burden on the plaintiff when no such obligation exists. The defendant is attempting to avoid the real issue. The failure is on its part to avoid infringement of the plaintiff's trade mark.

[71] The defendant also claims that there was implied consent for them to use the plaintiff's "TITLEIST" trade mark in the course of trade. The plaintiff denied such claim. The court is of the view that if the defendant wishes to rely on that contention, it must be based on substantive grounds. The court finds that the defendant has neither provided any substantive facts for relying on such a defence nor has it forwarded any legal authorities to substantiate its contentions.

[72] The court is also of the view that it is not possible for the defendant to have been consented whether directly or indirectly by the plaintiff to manufacture goods bearing the "TITLEIST" trade mark because none of the goods seized from the defendant's premises nor the goods seized during the raid at RGT Technology conformed to the specifications and model line up to the plaintiff. The plaintiff has provided a verification report on oath to state that the goods seized have been examined and determined to not conform to the specifications and model line up of the plaintiff. The Boston bags manufactured by the defendant for instance do not form part of the models of bags sold by the plaintiff. The goods therefore have in fact been confirmed to be counterfeits. It is improbable therefore for the plaintiff to have authorised the defendant to have produced goods which do not even exist in its model line up.

[73] Section 40(1)(dd) of the Trade Marks Act 1976 provides that the use by a person of a trade mark in relation to goods or services to which the registered proprietor or registered user has at any time expressly or impliedly consented to does not constitute an infringement of the said trade mark.

[74] The court is of the view that this defence does not apply to the defendant in the present case because the plaintiff has clearly stated that no such consent ever been given to the defendant, nor to Zonson. Furthermore, there is no evidence at all to show that Zonson was a "registered user" at the material time. (A "registered user", in the context of the Trade Marks Act 1976 refers to a person who is registered a such in the Register of Trade Marks under s. 48 of the same Act).

[75] The defendant used the offending mark in relation to goods in respect of which the trade mark is registered. Section 3(1) of the Trade Marks Act 1976 defines "trade mark" as:

> "trade mark" means ... a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services and a person having the right either as proprietor or registered user to use the mark whether with or without an indication of the identity of that person.

[76] Section 3(2) of the Trade Mark Act 1976 states:

> (a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark; and
>
> (b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to goods.

[77] Plaintiff's Class 28 registration for the "TITLEIST" trade mark No: 88/06614 covers "Golf Clubs, golf balls, golf bags, apparatus for playing golf, parts and fittings for all the aforesaid goods; all included in class 28".

[78] The defendant is in the manufacturing business more particularly manufacturing of golf bags and other related goods. They have in the course of their trade used the "TITLEIST" trade mark which is identical and/or confusingly similar to the plaintiff's mark in physical or other relation to its goods which are

covered by the scope of the plaintiffs trade mark registration no. 88/06614. This requirement is fulfilled. The defendant had used the mark on zipper heads, golf bags bases, metal plates and rubber labels. Furthermore, the defendant also used the "TITLEIST" mark on its delivery orders and invoices when issuing the same to third parties.

[79] In *Cheetah Trade Mark* [1993] FSR 263 Mr. Morrit J held when granting the plaintiff's relief sought in their summary judgment application that:

> (1) use of a registered trade mark on invoices and delivery notes was just as much an infringement as stamping the mark on a container for the goods.
>
> (2) use of a registered trade mark on an invoice, even if rendered long after sale and delivery, was still a use in the course of trade.

[80] Applying the principles set out above, it can be said that the defendant has by using the "TITLEIST" mark not only upon golf bags and Boston bags but parts and fittings for the same as well as its invoices and delivery orders will lead the public to associate the defendant's business as one connected with the manufacture, sale and distribution of golf bags and parts and fitting for the same and thus the defendants have clearly used the infringing mark in relation to the type of goods for which the plaintiff has a registered mark and exclusive use of.

[81] The defendant in the present case has used the offending mark not only upon goods but also in documents such as delivery orders and invoices. The defendant has therefore used the offending mark in physical relation to the goods in which it deals with in this case being golf bags and parts and fitting for the same.

[82] Applying the *Cheetah* case *(supra)*, it is abundantly clear that the defendant has in fact adopted the essential feature of the registered trade mark, in particular the word "TITLEIST" as a mark in relation to the goods it deals with, being golf bags. The defendant has admitted using the offending mark continuously in an attempt to show that it has used the mark legitimately (which is denied) as they had allegedly obtained the raw materials from an authorised manufacturer. Such arguments does not legitimize the defendant's act of infringement.

Whether Proof Required That Defendant's Infringing Activities Are Continuous?

[83] The defendant has stated that it does not have any more of the infringing goods within their premises. However, the defendant has failed to adduce evidence that all the goods which it allegedly purchased from Zonson bearing the "TITLEIST" trade mark were either sold or seized by the Enforcement Division. In other words, a proper accounting of the parts and fittings bearing the "TITLEIST" trade mark must be fully declared.

[84] The defendant has only shown that it allegedly made purchases worth RM110,000 from Zonson. However, it has failed to adduce any evidence to show the exact quantity of goods bearing the "TITLEIST" mark and to prove that this quantity was the same as that seized or disposed of by the defendant. Doubts therefore exists as to whether the defendant still has in its possession goods bearing the "TITLEIST" trade mark. Considering that the defendant is in the business of manufacturing and supplying golf bags there is always a danger that the defendant may at some point in time continues its activities unless restrained from using the "TITLEIST" mark. The threat of infringement still exists and therefore a permanent injunction to restrain the defendant from using the "TITLEIST" mark is the most appropriate to ensure that rights of the plaintiff is not jeopardised in any way by the defendant. The restraining order will not prevent the defendant from continuing this normal course of business but will provide comfort to the plaintiff that the defendant will at least not risk facing contempt action by using the "TITLEIST" mark.

[85] *Kerly's Law of Trade Mark and Trade Names* (12th edn) at p. 318 provides that:

> The grant of an injunction in trade mark cases is governed by the general rules applicable where other rights are concerned. There must be some threat or probability that the infringement will be commenced, continued, or repeated, or the Court will not interfere. If an actual infringement is shown to have incurred, that is usually sufficient and the Plaintiff is not bound to wait until it has been frequently repeated, or until warning has been given and been disregarded for the life of a trade mark depends upon the promptitude with which it is vindicated.

[86] In *Upmann v. Forester* [1883] 24 Ch 231 Chitty J stated:

> Although it may be the Defendants misfortune that the boxes should bear a spurious trade mark, yet, according to the authorities he must be held to have committed a clear infringement of the Plaintiff's right sufficient to entitle the Plaintiffs to an injunction for the purposes of this action. The infringement of a trade mark and patent may be treated on the same footing, the question being one and the same, namely, whether the right of exclusive user has been infringed.

[87] In the case of *Steiner Products Ltd. v. Stevens* [1957] RPC Danckwerts J at p. 442 held that:

> I have been referred to the case of *Rutter v. Smith* ... which was a case of trap order ... but that seems to me a different case from the present. In the present case there was no trap order; it was a plain sale to an ordinary customer, which may have been an isolated instance, but which was plainly a case of passing-off, and, as it seems to me, undoubtedly was in such circumstances that the Plaintiff's reputation in respect of their product would be damaged unless it was made clear in some way that there had been a wrong done to them, and that the substance which was sold was not the Plaintiff's lacquer lotion at all.
>
> In those circumstances, and in view of the refusal of the Defendant to give any undertaking, which he could easily have given, if he did not intend to repeat the conduct, I think the Plaintiffs were justified in continuing it and bringing it to trial. In those circumstance, it seems to me that the Plaintiffs are entitled to succeed and entitled to have injunctions granted in the terms ... I suppose they are entitled to delivery up of the labels and they are entitled to costs.

[88] The court in the present case is satisfied that it is sufficient for the plaintiff to have shown to this court that the defendant has infringed the plaintiff's "TITLEIST" trade mark to be entitled to an injunction. The injunction would not be in vain as the defendant has not provided any evidence to show that all the goods which it allegedly obtained from Zonson have already been either disposed off or seized from its premises. The defendants refusal to provide an undertaking and strong resistance to an injunction to restrain the defendant from using the plaintiffs' "TITLEIST" trade mark only means that the defendant intends to continue to infringe the same. An injunction if granted therefore would not be in vain.

Whether Infringement Was Trivial Or Inadvertent?

[89] The defendant has also submitted that any infringement on its part is to be considered to be trivial and inadventant. To support its contention, the defendant relies on the authority of *"Trade Mark Law and Practice in Malaysia"* by Teo Bong Kwang. What the defendant has failed to show is that the authorities relied on by the learned author in his book concern cases where the infringement was a one off situation. For instance in *Rutter & Co. v. Smith* [1901] 18 RPC 49 the passing-off complained of concerned a single act of offering for sale an ounce of "Mitcham" tobacco. Thus it was held that no injunction ought to be granted and that the case was too trivial for damages.

[90] In the present instance the defendant was found to have supplied more that 90 Boston Bags bearing the "TITLEIST" trade mark and 3 golf bags. In addition about 8000 zippers, 23 bases, 150 metal plates, 25 rubber labels as well as invoices and delivery orders showing the supply of "TITLEIST" goods were seized from its premises. These certainly cannot be considered to be trivial as compared to an ounce of tobacco in *Rutter & Co.* case.

[91] The defendant further claims that it had inadvertantly infringed the plaintiff's trade mark. There are evidence to show that the defendant had knowingly infringed the plaintiff's trade mark and had made representations to 3rd parties that it was supplying them with original goods.

[92] The defendant contends that its infringement is inadvertent due to the alleged misrepresentations of Zonson. The court cannot accept this contention. Even if the defendant is innocent the law is very settled in that innocence is not a defence to trade mark infringement.

[93] In *Kerly's Law of Trade Marks and Trade Names* (13th edn) at para 18-153 the learned author states:

> A Defendant cannot avoid an order for an inquiry by showing that he infringed innocently. The claimant has a right to damages regardless of the Defendants state of mind, and that is so regardless of whether the cause of action is infringement of a registered mark, or passing-off.

[94] In the case of *Gillete UK Limited and Anor v. Edenwest Limited* [1994] RPC 279 at p. 290 Blackburne J held:

> As regards infringement of a registered trade mark, it was settled law that innocence on the part of the infringer is no defence to a claim of damages.

[95] The court is convinced that in the absence of any evidence on the part of the defendant in showing the alleged representations made by Zonson to the defendant, the defendant's actions are neither trivial nor inadvertent. The defendant knew at all times what it was doing and therefore ought to be permanently restrained from using the plaintiff's "TITLEIST" trade mark.

Conclusion

[96] The only main issue for the court to determine in the present case is one of law ie, whether based on the facts available there has been an infringement of the plaintiff's registered trade mark 'TITLEIST' by the defendant who is or had been using the mark in its trade. There is no dispute, as far as the fact is concerned that the defendant is or has been using the trade mark without authorisation by the plaintiff.

[97] The defendant has not raised any issue which merits any consideration for this court to grant leave to defends the action based on the trade mark infringement. There is clearly no triable issue. Nor has it proven to be able to rely on any of the statutory defences under the Trade Marks Act 1976. To borrow the words of Blackburne J in *Gillette UK Limited and Anor v. Edenwest Limited* [1994] RPC 279 at p. 294: "nothing would be gained by allowing the matter to go to trial".

[98] The balance of convenience lies in favour of the plaintiff. The injunction prayed for by the plaintiff is only for the defendant to cease use of the "TITLEIST" mark and to ensure that the defendant does not ever use the same again without the plaintiff's express authorisation. The facts and evidence to support the plaintiff's contentions have been put forth and deliberated upon in great detail. It has been shown that the defendant was only intending to cash in the reputation and goodwill of the plaintiff by using the plaintiff's registered "TITLEIST" trade mark without autorisation. The defendant profited from selling the bags to unsuspecting members of the trade. RGT which got its supplies from the defendant has demonstrated itself, both as a responsible

company and one which respects the intellectual property rights of another by resolving the matter with the plaintiff once issue was taken with them.

[99] The plaintiff is not attempting to stop the defendant from carrying on its manufacturing business. It is free to do so but it should be prevented from using the plaintiff's "TITLEIST" trade mark. The plaintiff is not attempting to injunct the business of the defendant. No hardship or grave inconvenience would be caused to the defendant if relief is granted to the plaintiff. On the other hand if the injunction is not granted, the plaintiff's rights will be prejudiced. It makes their registered mark "TITLEIST" ineffective.

[100] In the event the plaintiff is denied the relief sought for, the plaintiffs goodwill and reputation suffers and this in turn affects the plaintiffs business and good standing and would lead to hardship to the plaintiff as it would be placed in a very embarrassing position in not being able to stop infringement of its registered trade marks and as a result, the plaintiff's legitimate distributor, Acushnet Malaysia and the latter's network of retailers' rights to deal in legitimate Acushnet products will not be protected.

[101] The court is satisfied that the plaintiff has made out a case of infringement under the Trade Marks Act 1976 against the defendant. The defendant, if not injuncted, is free to continue to infringe the plaintiffs "TITLEIST" trade mark. The defendant has not raised any issue which merits any consideration for this court to grant leave to defend the action.

[102] On the above considerations the court grants the plaintiff's application for summary judgment as prayed with costs.